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10 Attorneys for Chapter 11 Debtor and  
11 Debtor-in-Possession

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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **SANTA ANA DIVISION**

13 In re:

14 THE SOURCE HOTEL, LLC, a  
15 California limited liability company,  
16 Debtor and Debtor in Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

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**NOTICE OF APPLICATION OF DEBTOR  
AND DEBTOR IN POSSESSION TO  
EMPLOY NAI CAPITAL COMMERCIAL,  
INC. AS REAL ESTATE BROKER  
PURSUANT TO 11 U.S.C. §§ 327 AND 328**

[No Hearing Required – Local Bankruptcy Rule  
2014-1(b)]

1       **PLEASE TAKE NOTICE** that The Source Hotel, LLC, a California limited liability  
2 company (the “Debtor”), the debtor and debtor in possession in the above-captioned chapter 11  
3 bankruptcy case, has filed an application (the “Application”) for Court approval of the Debtor’s  
4 employment of NAI Capital Commercial, Inc. (the “NAI Capital”) as its real estate broker, upon  
5 the terms and conditions described below and in the Application.

6       **PLEASE TAKE FURTHER NOTICE** that the Debtor has made the decision that the  
7 best interests of its estate are served by its employment of a highly qualified real estate broker to  
8 assist the Debtor either to sell its partially completed seven-story hotel with 178 rooms in the City  
9 of Buena Park, County of Orange, State of California (the “Hotel”) for the most money possible  
10 or to find an investment partner to team up with the Debtor either in connection with a sale  
11 process or a reorganization process. After interviewing and consulting with a number of qualified  
12 real estate brokers, the Debtor has decided that NAI Capital is the ideal broker for the Debtor.  
13 NAI Capital has approximately 223 brokers working in 12 offices throughout Southern  
14 California, and NAI Capital has an extremely strong presence in Southern California yet is part of  
15 a worldwide network that provides NAI Capital with access to prospective buyers and investors  
16 worldwide. The Debtor seeks to employ NAI Capital as its real estate broker in accordance with  
17 the listing agreement (the “Listing Agreement”) attached as Exhibit 1 to the Declaration of Chris  
18 Jackson annexed to the Application (the “Jackson Declaration”).

19       **PLEASE TAKE FURTHER NOTICE** that the Debtor seeks to employ NAI Capital as  
20 its real estate broker to render, among others, the following types of professional services:

21           a.       Identifying potential buyers and investors using NAI Capital’s worldwide  
22           network;

23           b.       Assisting the Debtor to expeditiously formulate and implement a strategy  
24           for soliciting interest from potential buyers and investors, including by developing and  
25           implementing procedures and a timetable for marketing the Hotel for sale or investment;

26           c.       Introducing the Debtor to potential buyers and investors and coordinating  
27           due diligence investigations;

d. Assisting the Debtor to evaluate proposals from interested parties, formulating negotiation strategies, and assisting in negotiations and closing of a sale or investment; and

e. Participating in hearings before the Bankruptcy Court with respect to the matters upon which NAI Capital has provided services or advice, including, as relevant, providing testimony.

**PLEASE TAKE FURTHER NOTICE** that the Listing Agreement is for a term of approximately six months, ending on November 30, 2021, and is an exclusive Listing Agreement where NAI Capital will serve as the Debtor's sole and exclusive agent, if approved by the Court.

**PLEASE TAKE FURTHER NOTICE** that NAI Capital has not received any retainer for this engagement and has not been paid any money by the Debtor at any time.

**PLEASE TAKE FURTHER NOTICE** that, in the event of a transaction closing, NAI Capital shall be entitled to receive a commission in accordance with the Schedule of Commissions contained in Exhibit A to the Listing Agreement. NAI Capital shall be entitled to a commission of 1% of the sale price unless the consummated transaction is with any of the “Excluded Persons” agreed to by the parties (as set forth in Exhibit C to the Listing Agreement), in which case NAI Capital shall be entitled to a commission of 0.25% of the sale price. For confidentiality reasons, Exhibit C is not included in the attachment to the Jackson Declaration.

**PLEASE TAKE FURTHER NOTICE** that, solely in order to save the expense of preparing a fee application, the Debtor is requesting that its employment of NAI Capital be pursuant to 11 U.S.C. § 328 and provide for NAI Capital to be paid its commission in connection with the closing of any transaction without the need for a fee application or further Court order.

**PLEASE TAKE FURTHER NOTICE** that, to the best of the Debtor's knowledge and based upon the Jackson Declaration, NAI Capital does not hold or represent any interest materially adverse to the Debtor or the Debtor's estate, and NAI Capital is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code. It is the Debtor's understanding that NAI Capital is also being retained by Plamex Investment, LLC ("Plamex"), an

1 affiliate of the Debtor and a debtor-in-possession in its own chapter 11 bankruptcy case pending  
2 before this Court (bearing the case number 8:21-bk-10958-ES). However, NAI Capital's  
3 proposed employment as the real estate broker for Plamex is subject to a separate listing  
4 agreement (which will need to be approved pursuant to a separate employment application filed in  
5 Plamex's case), relates to an entirely different property, and is not tied or linked in any way to the  
6 Debtor's proposed employment of NAI Capital in this case. To the best of the Debtor's  
7 knowledge, other than as set forth in the Application and in the Jackson Declaration, NAI Capital  
8 has no prior connection with the Debtor, any creditors of the Debtor or its estate, or any other  
9 party in interest in this case, or their respective attorneys or accountants, the United States Trustee  
10 or any person employed by the United States Trustee.

11 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 2014-  
12 1(b)(3)(E), any objection to and request for a hearing on the Application, in the form required by  
13 Local Bankruptcy Rule 9013-1(f)(1), must be filed and served on the Debtor, counsel for the  
14 Debtor and the Office of the United States Trustee within fourteen (14) days after the date of  
15 service of this Notice plus three (3) additional days if served by mail, electronically, or pursuant  
16 to Rule 5(b)(2)(D), (E), or (F) of the Federal Rules of Civil Procedure and Rule 9006 of the  
17 Federal Rules of Bankruptcy Procedure.

18 **PLEASE TAKE FURTHER NOTICE** that, pursuant to Local Bankruptcy Rule 2014-  
19 1(b)(4), if no objection and request for a hearing on the Application is timely filed and served,  
20 LNBYB will promptly lodge a proposed order approving the Application.

22 Dated: June 2, 2021

THE SOURCE HOTEL, LLC

23 By: /s/ Ron Bender  
24 RON BENDER  
25 JULIET Y. OH  
26 LEVENE, NEALE, BENDER, YOO  
27 & BRILL L.L.P.  
28 Attorneys for Chapter 11 Debtor and  
Debtor-in-Possession

## 1 PROOF OF SERVICE OF DOCUMENT

2 I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business  
3 address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

4 A true and correct copy of the foregoing document entitled **NOTICE OF APPLICATION OF DEBTOR**  
**AND DEBTOR IN POSSESSION TO EMPLOY NAI CAPITAL COMMERCIAL, INC. AS REAL ESTATE**  
**BROKER PURSUANT TO 11 U.S.C. §§ 327 AND 328** will be served or was served (a) on the judge in  
5 chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

6 **1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to  
7 controlling General Orders and LBR, the foregoing document will be served by the court via NEF and  
8 hyperlink to the document. On **June 2, 2021**, I checked the CM/ECF docket for this bankruptcy case or  
adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to  
receive NEF transmission at the email addresses stated below:

- 9 • Ron Bender rb@lnbyb.com
- 10 • Christopher G. Cardinale ccardinale@agclawfirm.com, mgonzalez@agclawfirm.com
- 11 • Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- 12 • Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com,  
cmallah@perkinscoie.com;DocketLA@perkinscoie.com
- 13 • Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com;goeforecf@gmail.com
- 14 • Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- 15 • Peter F Jazayeri peter@jaz-law.com
- 16 • Daniel A Lev dlev@sulmeyerlaw.com,  
ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com
- 17 • Grant A Nigolian grant@gnpclaw.com,  
process@gnpclaw.com;grant.nigolian@gmail.com
- 18 • Juliet Y Oh jyo@lnbrb.com, jyo@lnbrb.com
- 19 • Ho-El Park hpark@hparklaw.com
- 20 • Ronald N Richards ron@ronaldrichards.com, morani@ronaldrichards.com
- 21 • United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

22 **2. SERVED BY UNITED STATES MAIL:** On **June 2, 2021**, I served the following persons and/or  
23 entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true  
24 and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and  
25 addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be  
26 completed no later than 24 hours after the document is filed.

27  Service List continued on attached page

1       3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**  
2       **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,  
3       on **June 2, 2021**, I served the following persons and/or entities by personal delivery, overnight mail  
4       service, or (for those who consented in writing to such service method), by facsimile transmission and/or  
5       email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight  
6       mail to, the judge will be completed no later than 24 hours after the document is filed.

7       4       **Served via Overnight Mail**

8       5       Hon. Erithe A. Smith  
9       6       United States Bankruptcy Court  
10       7       411 West Fourth Street, Suite 5040 / Courtroom 5A  
11       8       Santa Ana, CA 92701-4593

12       9       I declare under penalty of perjury under the laws of the United States of America that the foregoing is  
13       10       true and correct.

14       11       June 2, 2021

15       12       Lourdes Cruz

16       13       Date

17       14       Type Name

18       15       /s/ Lourdes Cruz

19       16       Signature

The Source Hotel, LLC  
OUST, Secured, Top 20, RSN

Counsel to Evertrust Bank  
Michael Fletcher, Esq.  
Frandsel Robins Bloom & Csato, L.C.  
1000 Wilshire Boulevard, 19th Floor  
Los Angeles, CA 90017-2427

Nancy S Goldenberg  
United States Trustee (SA)  
411 W Fourth St Ste 7160  
Santa Ana, CA 92701-8000

**Secured Creditors:**

3D Design - Millwork  
8152 Indianapolis Ave.  
Huntington Beach, CA 92646

Aragon Construction, Inc.  
5440 Arrow Highway  
Montclair, CA 91763

Beach Orangethorpe II, LLC  
P.O. Box 489  
Buena Park, CA 90621

Beach Orangethorpe III, LLC  
P.O. Box 489  
Buena Park, CA 90621

Beach Orangethorpe, LLC  
P.O. Box 489  
Buena Park, CA 90621

Beachamp Distributing Co.  
1911 South Santa Fe Avenue  
Compton, CA 90221

Best Quality Painting  
818 N. Pacific Ave., #C  
Glendale, CA 91203

Certified Tile  
14557 Calvert St.  
Van Nuys, CA 91411

Evergreen Electric Construction  
629 Grove View Lane  
La Canada, CA 91011

Iron Mechanical  
721 North B Street  
Suite 100  
Sacramento, CA 95811

KS Steel Corp.  
1748 Industrial Way  
Los Angeles, CA 90023

Nemo & Rami  
1930 W. Holt Ave.  
Pomona, CA 91768

Northstar  
404 North Berry Street  
Brea, CA 92821-3104

Pan Pacific  
18250 Euclid Street  
Fountain Valley, CA 92708

PDG Wallcoverings  
26492 Via Juanita  
Mission Viejo, CA 92691

Prime Concrete Coatings  
6127 James Alan St.  
Cypress, CA 90630

Resco Electric Inc.  
2431 W. Washington Blvd. Suite B  
Los Angeles, CA 90018

Retrolock Corp  
17915 Railroad Street  
City of Industry, CA 91748

Salamander Fire Protection, Inc  
6103 Tyrone Street  
Van Nuys, CA 91401

Shady Bird Lending, LLC  
c/o Law Offices of Ronald Richards  
P.O. Box 11480  
Beverly Hills, CA 90213

Solid Construction  
883 Crenshaw Blvd.  
Los Angeles, CA 90005

Sunbelt Controls, Inc.  
888 E. Walnut Street  
Pasadena, CA 91101

Grant Nigolian, P.C.  
695 Town Center Drive, Suite 700  
Costa Mesa, CA 92626

Hunt Ortmann Palffy Nieves et al.  
301 North Lake Avenue, 7th Floor  
Pasadena, CA 91101-1807

Law Office of Ho-El Park, P.C.  
333 City Blvd. West, Suite 1700  
Orange, CA 92868

Law Office of Michael N. Berke  
25001 The Old Road  
Santa Clarita, CA 91381

Law Offices of Dennis G. Cocco  
345 Oxford Drive  
Arcadia, CA 91007

Porter Law Group, Inc.  
7801 Folsom Blvd., Suite 101  
Sacramento, CA 95826

Robinson & Robinson, LLP  
2301 Dupont Drive, Suite 530  
Irvine, CA 92612-7502

Shady Bird Lending, LLC  
c/o Law Offices of Geoffrey Long  
1601 N. Sepulveda Blvd., No. 729  
Manhattan Beach, CA 90266

Splinter & Thai, LLP  
25124 Narbonne Ave., Suite 106  
Lomita, CA 90717-2140

**Top 20 Unsecured Creditors:**

Newgens, Inc.  
14241 Foster Rd.  
La Mirada, CA 90638

Cabrillo Hoist  
P.O. Box 3179  
Rancho Cucamonga, CA 91729

WESCO Distribution Inc.  
6251 Knott Ave.  
Buena Park, CA 90620

Harbor All Glass & Mirror, Inc.  
1926 Placentia Ave.  
Costa Mesa, CA 92627

Diablo Consulting  
13200 Crossroads Parkway N  
Ste. 115  
City of Industry, CA 91746

Ace Tek Roofing Co.  
747 S. Ardmore Ave., Suite 405  
Los Angeles, CA 90005

Morrow Meadows  
231 Benton Court  
City of Industry, CA 91789

Chefs Toys  
18430 Pacific Street  
Fountain Valley, CA 92708

Stumbaugh & Associates, Inc.  
3303 N. San Fernando Blvd  
Burbank, CA 91504

HBA Procurement, Inc.  
3216 Nebraska Ave.  
Santa Monica, CA 90404

OJ Insulation LP  
600 S Vincent Ave.  
Azusa, CA 91702

DKY Architects  
15375 Barranca Pkwy.  
Suite A-210  
Irvine, CA 92618

Master Glass  
2225 W. Pico Blvd, Unit C  
Los Angeles, CA 90006

Universal Flooring Systems  
15573 Commerce Lane  
Huntington Beach, CA 92649

L2 Specialties  
3613 W. MacArthur Blvd., #611  
Santa Ana, CA 92704

Ficcadenti Waggoner  
16969 Von Karman Avenue  
Suite 240  
Irvine, CA 92606

Retrolock Corp  
17915 Railroad Street  
City of Industry, CA 91748

American Engineering Laboratories Inc.  
PO Box 1816  
Whittier, CA 90609